



Statement of Freeholder Director Robert M. Damminger
Budget Workshop, Saturday, February 18, 2012

Thank you for attending this second Saturday budget workshop meeting of the Gloucester County Board of Freeholders.

During last Saturday's session we discussed the budget process and the work we have done over the past few years to reduce county spending, reduce taxes, while providing services to our citizens and municipalities.

Today we will discuss the county's proposed reduced operating expenses, the reduction of the county's debt service and the long range outlook to reduce it by over 31% over the next 7 years, a bare-bones capital program and other steps we are taking to continue the strong fiscal stewardship of Gloucester County.

It is no accident that in 2012, while other counties are faced with budget and tax increases, that Gloucester County finds itself in the position to cut spending and meet our ultimate goal of cutting taxes and spending while maintaining services.

For the past decade this Freeholder Board has made prudent decisions to complete major projects during times of a weak national economy to provide for the local growth we experienced. Major projects such as the improvements to Route 322, Gloucester County Institute of Technology, Gloucester County College, Gloucester County Special Services School District and the Justice Complex were completed to meet demand, and the Freeholder's ability to take advantage of market conditions allowed us to build during a time when manpower and materials and interest rates were low.

The current condition of the county's physical assets, our roads, our courts and other buildings are all excellent due to the work we have done over the past ten years. Therefore, in today's economy the Capital Committee proposes that we tighten our belts and scale down our capital program to include completing those projects we have already anticipated and budgeted for while utilizing federal and state grants to complete road projects.

In addition, this budget represents the county's long-range plan to reduce debt in 2012 from its 2009 level by over 20% by the end of 2012 and by 31.39% by the end of 2017. And, we will accomplish this reduction and a reduction in the total county budget while we have absorbed services like Emergency Medical Services (EMS), County-wide Tax Assessing, the Division of Social Services and others.

In 2006 the County took over the function of providing Social Services, impacting the county 2007 budget by \$12.5 million. Without the county's intervention, it is projected that Social Services would have cost our taxpayers an additional \$2.6 million in 2012.

In 2007 Gloucester County EMS came online adding \$2.8 million in expenditures over revenues to the county's budget.

In 2009, the County's Tax Assessing program began phasing in and added about \$1.5 million to the county's bottom line. And, while these programs call for costs at the county level to increase, the Freeholders are able to control costs again in 2012 and reduce them.

There is no mystery in how the county can save money while adding major services, it is done through tough decisions, asking more of our workforce and through progressive thinking. The results:

- Reducing the size of government and the workforce by eliminating 214 positions from its roles and saving over \$13.3 million in salaries and benefits (since 2008)
- Reducing the cost of health insurance by \$1,500,000 in less than one year by moving to the State Health Benefits program. This is the second time year in a row that the County was able to reduce the cost of health insurance.
- Cutting the costs of Social Services through efficiencies saving more than \$2.6 million since coming under the County
- Cutting operating expenses 3 years in a row by over \$7 million dollars
- Cutting Capital expenses 4 years in a row by over \$10 million dollars

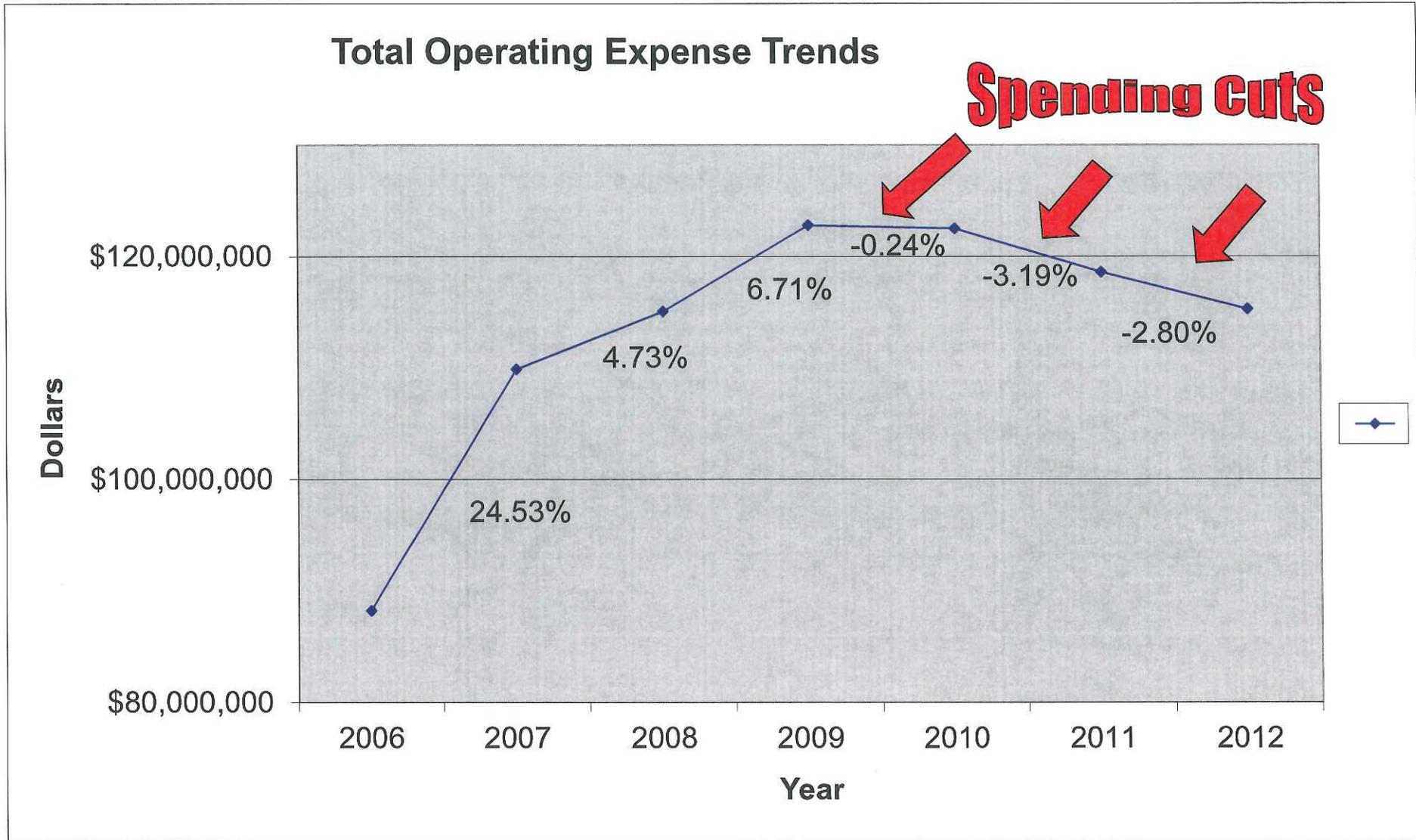
There are many more instances of cuts and cost controls to the operating expenses, despite the fact that the county provides more services to more residents and municipalities than ever in its history.

As we continue over the next several weeks to refine this working budget document, it is my ultimate goal to introduce a budget that cuts county spending and taxes for our taxpayers. Working throughout the past week, and by the end of today's discussion I feel confident that we will have cut over \$3 Million in expenses from last year and move us in a position to cut taxes again in 2012.

Total Operating Expense Trends

2006	2007	2008	2009	2010	2011	2012
\$88,246,000	\$109,892,000	\$115,088,000	\$122,807,000	\$122,516,000	\$118,612,000	\$115,286,000
Percentages	24.53%	4.73%	6.71%	-0.24%	-3.19%	-2.80%

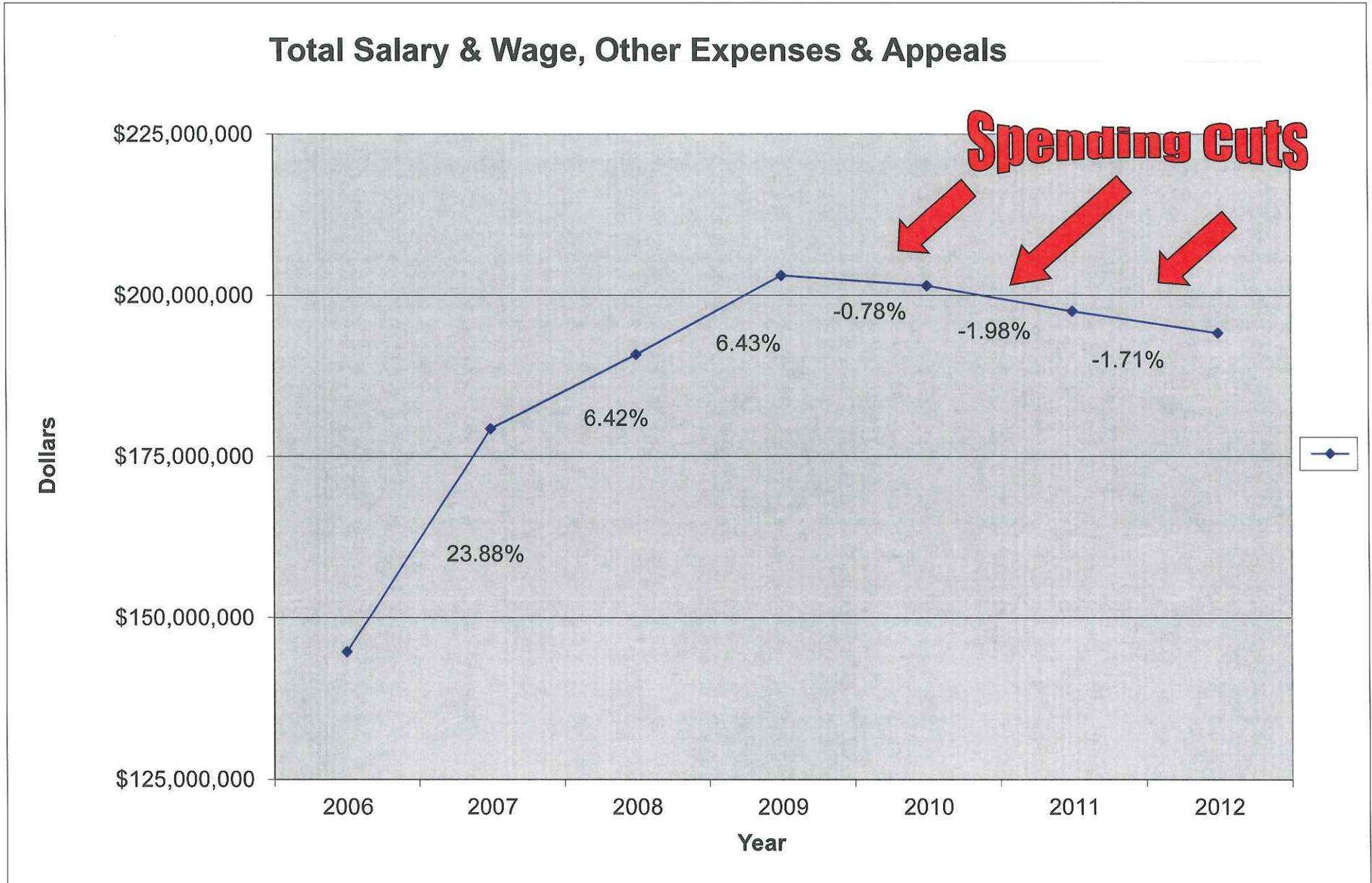
*Includes Social Services, EMS and Assessing



NOTE: 2007 Social Services joined County Budget, 2008 EMS started & Group Insurance Increased
2009 More EMS & Pension / Group Insurance Increased, 2010, 2011 & 2012 Assessing plus Pension increased
in 2010 & 2011, Group Insurance Stabilized and Decreased

Total Salary & Wage, Other Expenses & Appeals Trends

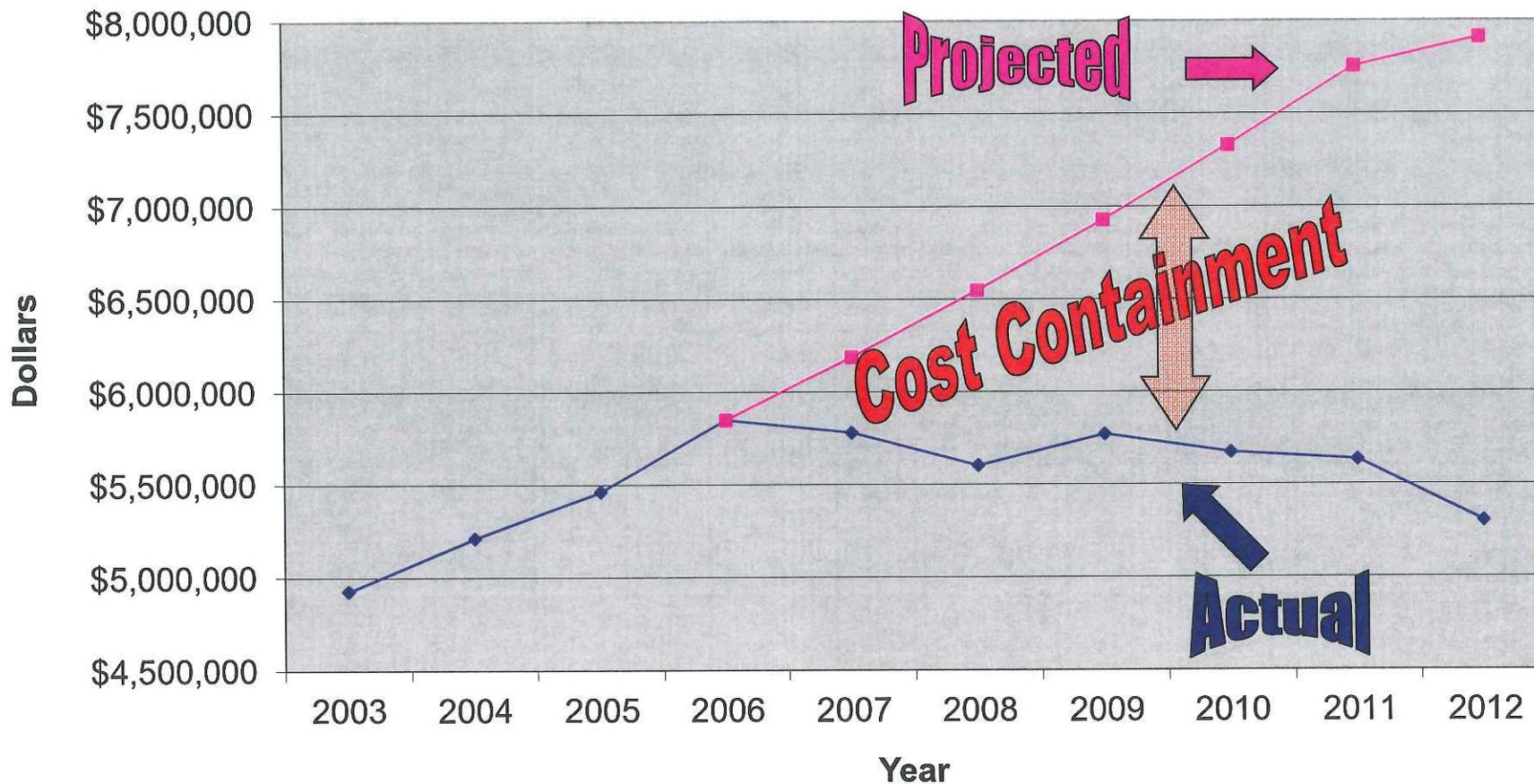
2006	2007	2008	2009	2010	2011	2012
\$144,744,000	\$179,305,000	\$190,824,000	\$203,092,000	\$201,505,000	\$197,530,000	\$194,162,000
Percentages	23.88%	6.42%	6.43%	-0.78%	-1.97%	-1.71%



Social Services Spending Trends

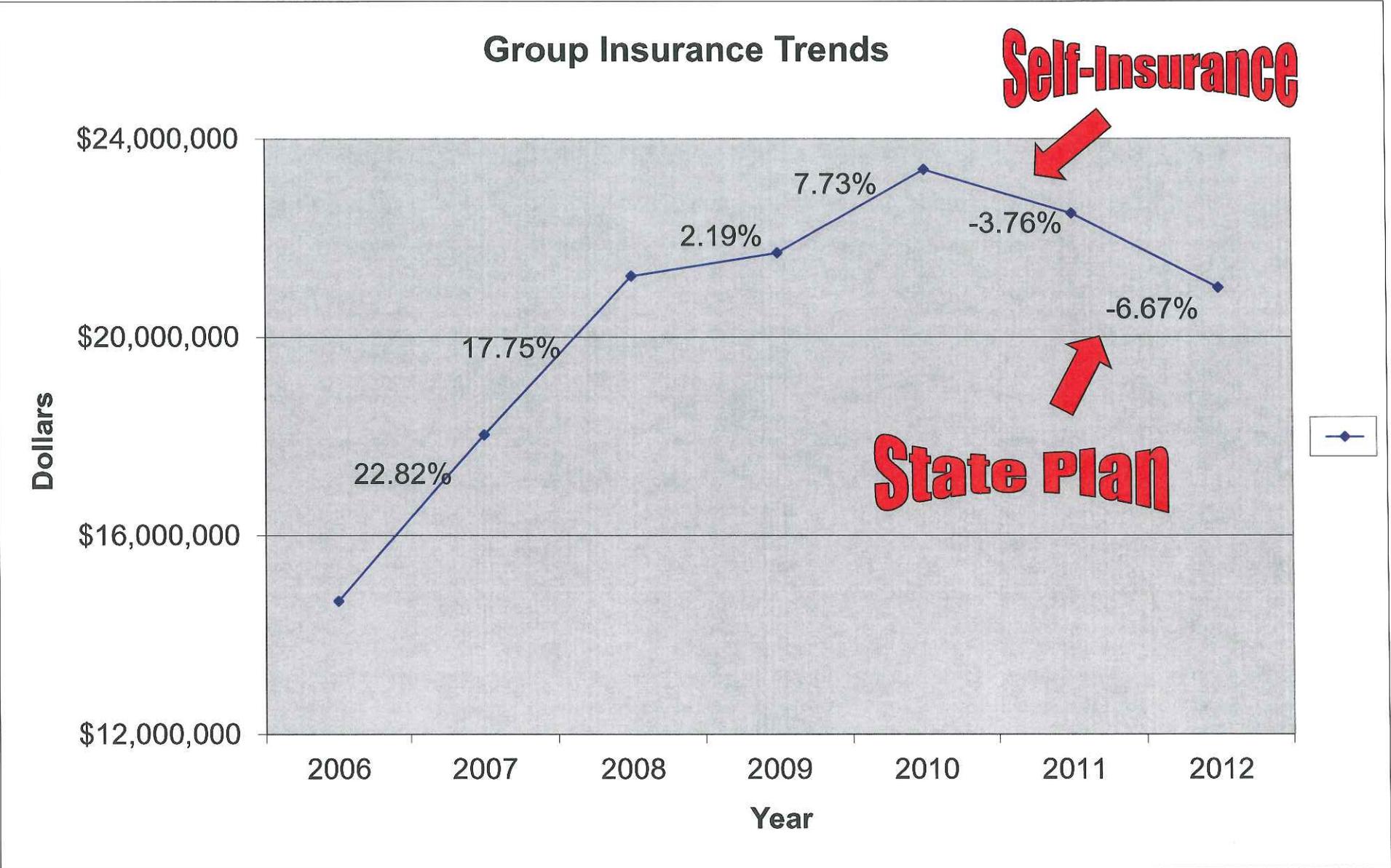
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
\$4,929,141	\$5,212,907	\$5,464,000	\$5,851,000	\$5,781,000	\$5,604,000	\$5,772,000	\$5,674,000	\$5,634,000	\$5,303,122	*Actual
			\$5,851,000	\$6,190,358	\$6,549,399	\$6,929,264	\$7,331,161	\$7,756,369	\$7,911,496	*Projected

Social Services Spending Trends



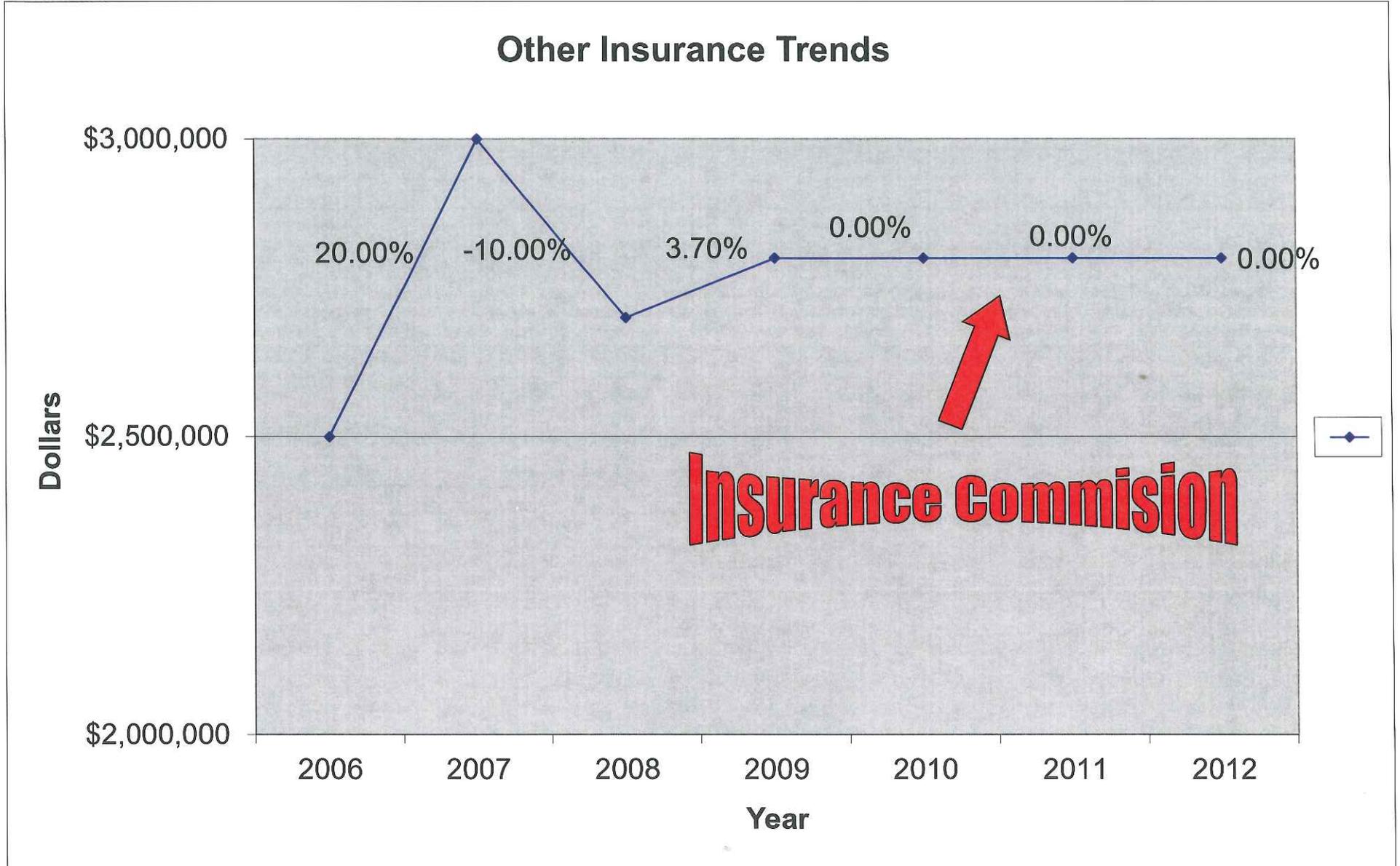
Group Insurance Trends

2006	2007	2008	2009	2010	2011	2012
\$14,684,047	\$18,035,000	\$21,236,539	\$21,701,000	\$23,379,500	\$22,500,000	\$21,000,000
	22.82%	17.75%	2.19%	7.73%	-3.76%	-6.67%



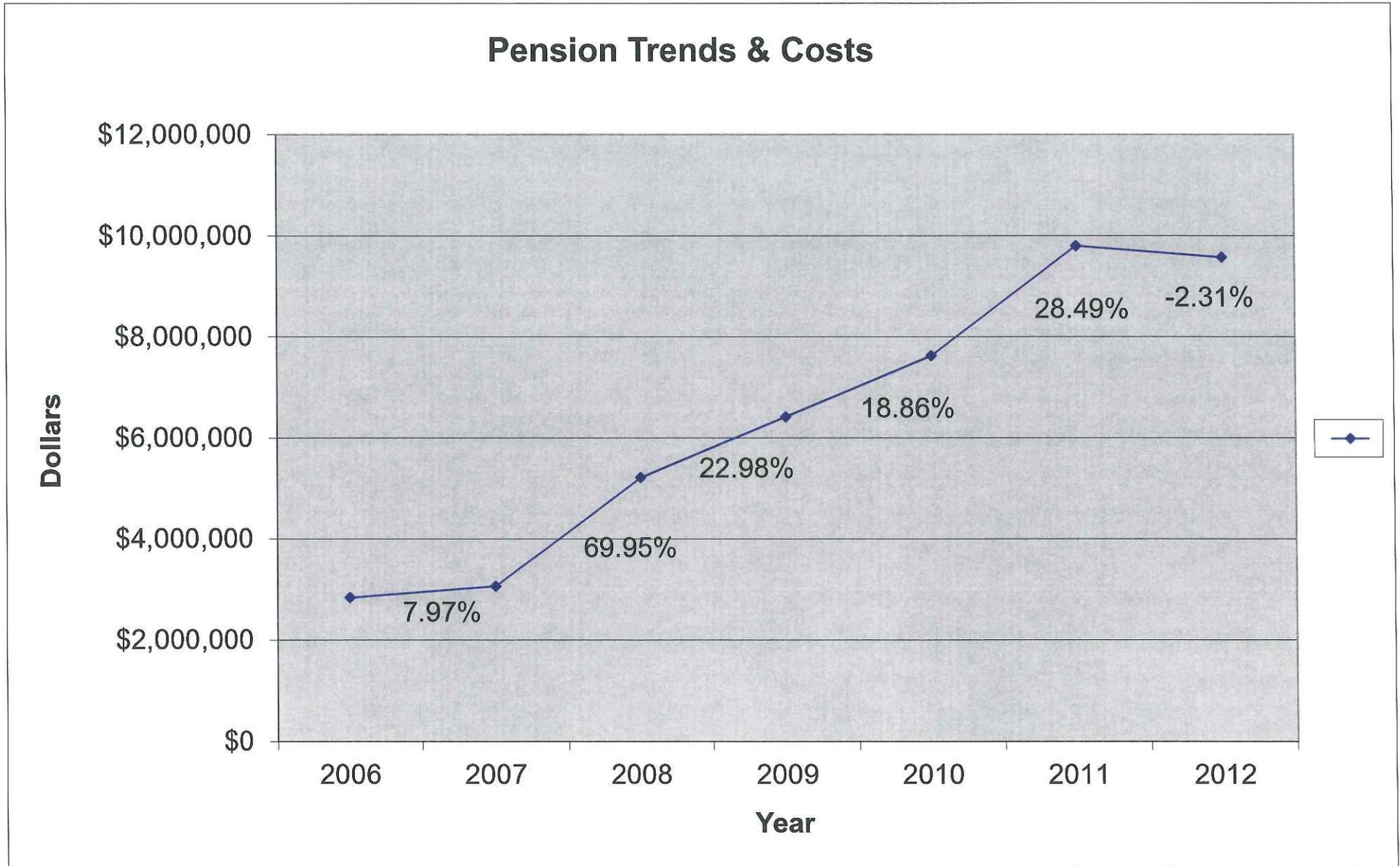
Other Insurance Trends

2006	2007	2008	2009	2010	2011	2012
\$2,500,000	\$3,000,000	\$2,700,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000
	20.00%	-10.00%	3.70%	0.00%	0.00%	0.00%



Pension Trends & Cost

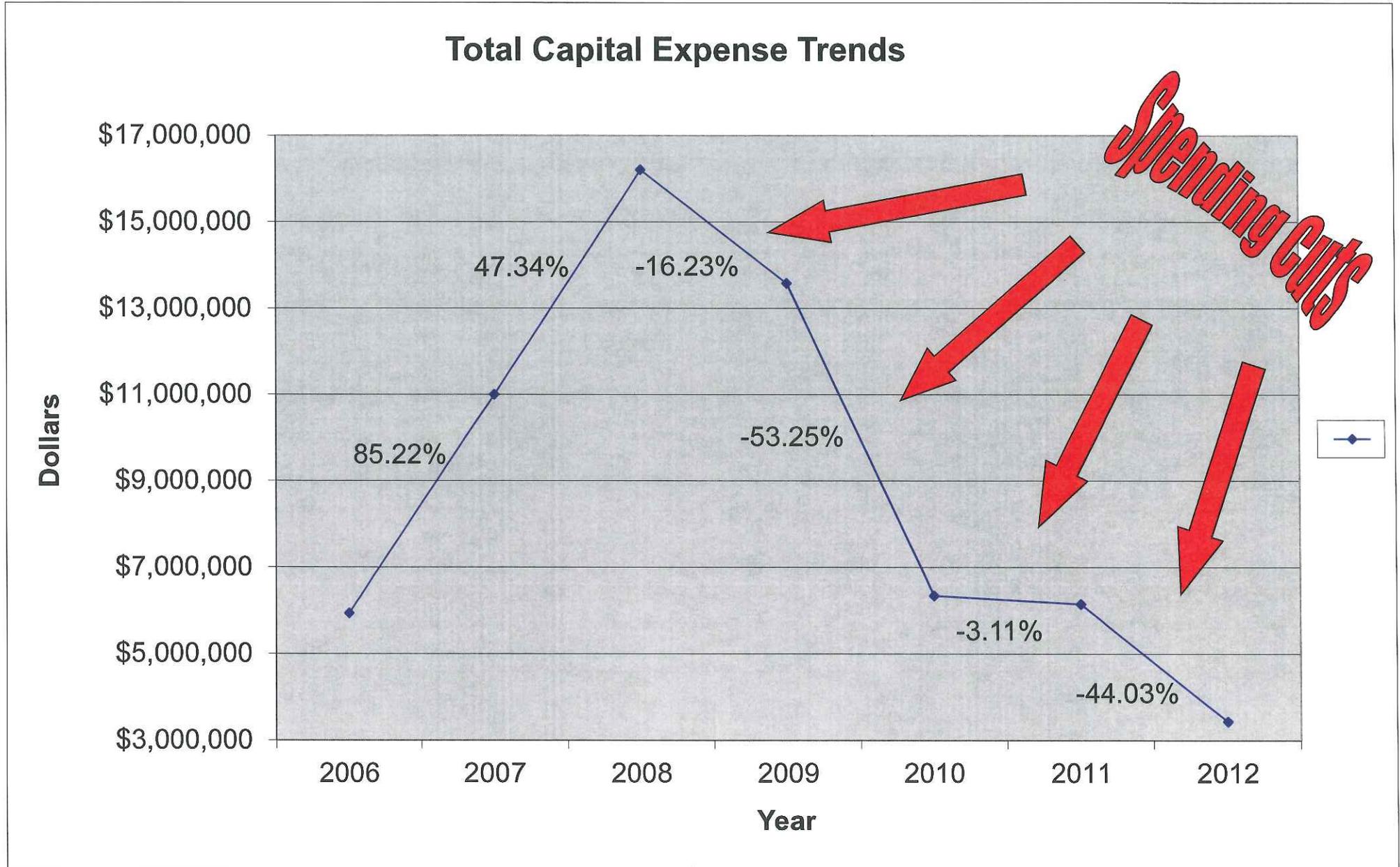
2006	2007	2008	2009	2010	2011	2012
\$2,843,859	\$3,070,540	\$5,218,387	\$6,417,445	\$7,627,577	\$9,800,935	\$9,574,074
	7.97%	69.95%	22.98%	18.86%	28.49%	-2.31%



Total Capital Expense Trends

2006	2007	2008	2009	2010	2011	2012
\$5,941,200	\$11,004,000	\$16,213,000	\$13,581,000	\$6,348,500	\$6,151,000	\$3,443,000
Percentages	85.22%	47.34%	-16.23%	-53.25%	-3.11%	-44.03%

*'11 includes FEMA emergencies and Chapter College funds



Total Debt Trend

2010	2011	2012	2013	2014	2015	2016	2017	
\$329,200,000	\$309,200,000	\$281,521,000	\$264,915,000	\$260,564,000	\$251,403,000	\$242,881,000	\$234,495,000	*Beginning
\$309,200,000	\$281,521,000	\$264,915,000	\$260,564,000	\$251,403,000	\$242,881,000	\$234,495,000	\$225,876,000	*End
Percentages	-14.48%	-5.90%	-1.64%	-3.52%	-3.39%	-3.45%	-3.68%	

